

**GUJARAT TECHNOLOGICAL UNIVERSITY**  
**MBA- SEMESTER -I - EXAMINATION- SUMMER-2023**

**Subject Code: 2519301****Date: 11/07/2023****Subject Name: International Accounting Practices****Time: 02:30 PM TO 05:30 PM****Total Marks: 70****Instructions:**

1. Attempt all questions.
2. Make Suitable assumptions wherever necessary.
3. Figures to the right indicate full marks.
4. Use of simple calculators and non-programmable scientific calculators are permitted.

<b>Q. NO.</b>	<b>QUESTION TEXT AND DESCRIPTION</b>	<b>MARKE</b>
<b>Q.1</b>	Explanation the following terms: 1. Cost Unit 2. Cost Center 3. Tax Heaven 4. Flexible Budget 5. Foreign Exchange Risk 6. IFRS 7. International Tax planning	<b>14</b>
<b>Q.2</b>	(a) What is International Accounting? Discuss scope of International Accounting	<b>07</b>
	(b) Differentiate US GAAP & Indian GAAP	<b>07</b>
	<b>OR</b>	
	(b) What is meant by International Tax Planning? Discuss the objectives of International Taxation and explain Tax Havens.	<b>07</b>
<b>Q.3</b>	(a) What is International Financial Management? Discuss roles and functional of International Finance manager	<b>07</b>
	(b) Discuss the objectives of financial statement analysis	<b>07</b>
	<b>OR</b>	
<b>Q.3</b>	(a) What do you understand by Tax Neutrality and Tax Equity. Explain the forms of Tax Neutrality in brief.	<b>07</b>
	(b) What is IFRS? State the advantages of IFRS. Also explain any four point of difference between IFRS, Indian GAAP and US GAAP.	<b>07</b>

Q.4	(a)	From the following data prepare Common size Statement of Profit and Loss account of Shri Patidar	07		
		Particulars	31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2015	
		Revenue from Operation (% of Other income)	200%	200%	
		Other income	2,00,000	2,00,000	
		Cost of Material Consumed (% of operating Revenue)	60%	50%	
		Other Expenses (% of Material cost)	10%	20%	
		Tax rate	30%	30%	
	(b)	From the following Profit and loss statement, prepare Common size Income statement.	07		
		Particulars	Note no.	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
		I. Income			
		<b>Revenue from operations (Net sales)</b>		<b>12,50,000</b>	<b>10,00,000</b>
		II. Expenses			
		Purchase of stock in trade		8,70,000	7,20,000
		Change in inventories (Stock in trade)		(20,000)	30,000
		Depreciation and Amortization expenses		30,000	20,000
		Other expenses		50,000	30,000
		<b>Total expenses</b>		<b>9,30,000</b>	<b>8,00,000</b>
<b>Profit Before tax (I-II)</b>		<b>3,20,000</b>	<b>2,00,000</b>		
<b>OR</b>					
Q.4	(a)	Make Journal entry in the following transaction in the books of Bhagirath.	07		
		1 Commenced business with cash 80,000			
		2 Deposited cash with bank 40,000			
		3 Purchased goods by paying cash 5,000			
		4 Purchased goods from Lipton & Co. on credit 10,000			
		5 Sold goods to Joy and received cash 11,000			
		6 Paid salaries by cash 5,000			
		7 Bank paid insurance premium on furniture as per standing instructions 300			
	(b)	Bragathish is a trader dealing in electronic goods who commenced his business in 2020. Pass the Journal entry for the following transactions	07		
		1. Purchased goods from Yasmin and Co. on credit 60,000			
		2. Sold goods to Damini and Co. on credit 30,000			
		3. Paid Yasmin and Co. through bank in full settlement 58,000			
		4. Damini and Co. accepted a bill drawn by Bragathish 30,000			
		5. Sold goods to Lalit on credit 20,000			
		6. Sold goods to Mohan on credit 40,000			
		7 Received a cheque from Mohan in full settlement and deposited the same to the bank 39,000			

Q.5

**CASE STUDY:**

The following Trading and Profit and Loss Account of Fantasy Ltd. for the year 31-3-2000 is given below:

Particular	Rs.	Particular	Rs.
To Opening Stock	76,250	By Sales	5,00,000
" Purchases	3,15,250	" Closing stock	98,500
" Carriage and Freight	2,000		
" Wages	5,000		
" Gross Profit b/d	2,00,000		
	5,98,500		5,98,500
To Administration expenses	1,01,000	By Gross Profit b/d	2,00,000
" Selling and Dist. expenses	12,000	" Non-operating incomes:	
" Non-operating expenses	2,000	" Interest on Securities	1,500
" Financial Expenses	7,000	" Dividend on shares	3,750
Net Profit c/d	84,000	" Profit on sale of shares	750
	2,06,000		2,06,000

- (a) Calculate
1. Gross profit ratio
  2. Expense ratio
  3. Operating ratio

07

- (b) Calculate
1. Net profit ratio
  2. Operating (Net) profit ratio
  3. Stock turn over ratio

07

OR

Q.5

(a)

The Balance Sheet of Punjab Auto Limited as on 31-12-2002 was as follows:

Particular	Rs.	Particular	Rs.
Equity Share Capital	40,000	Plant and Machinery	24,000
Capital Reserve	8,000	Land and Buildings	40,000
8% Loan on Mortgage	32,000	Furniture & Fixtures	16,000
Creditors	16,000	Stock	12,000
Bank overdraft	4,000	Debtors	12,000
Taxation:		Investments (Short-term)	4,000
Current	4,000	Cash in hand	12,000
Future	4,000		
Profit and Loss A/c	12,000		
	1,20,000		1,20,000

- Calculate
1. Current ratio
  2. Debt equity ratio

07

- (b) Calculate
1. Quick ratio
  2. Proprietary ratio

07

\*\*\*\*\*